



ENERGY ASSURANCE DAILY

Thursday Evening, July 18, 2013

Electricity

Update: ISO New England Continues Request for Voluntary Electricity Conservation July 18; New York ISO Predicts Record-breaking Electricity Usage July 18

As the heat wave persists in New England, ISO New England is extending its request for consumers to voluntarily conserve electricity, particularly between the hours of 12:00 p.m. and 8:00 p.m., through the end of the week. This request continues to be a precautionary measure to help keep supply and demand in balance as consumer demand is forecasted to increase. Preliminary data indicate that electricity demand peaked yesterday at 26,655 MW, which is the tenth highest demand day on record in New England. Today, ISO New England is forecasting a peak demand of 27,900 MW and similar conditions are forecasted for tomorrow, Friday, July 19. New England's current all-time record for electricity usage is 28,130 MW, which was set on August 2, 2006. Meanwhile, New York Independent System Operator (NYISO) forecast peak electricity usage today would break a record set in 2006, as consumers turn up their air conditioners on the fifth day of an intense heat wave. NYISO expects peak demand will reach 34,450 MW today. NYISO is calling for Special Case Resources and Emergency Demand Response Program Resources for zones G through K from 12:00 p.m. to 6:00 p.m., and for zones A through F from 1:00 p.m. to 6:00 p.m.

http://www.iso-ne.com/nwsiss/pr/2013/iso-ne_continues_request_for_voluntary_conservation_7.18.13.final.pdf

<http://www.nyiso.com/public/index.jsp>

Reuters, 11:50 July 18, 2013

Intense Storm Knocks Out Power to 60,000 Hydro-Quebec Customers in Montreal July 17

About 60,000 customers lost power Wednesday afternoon after an intense storm hit Montreal. As of early Thursday morning, fewer than 9,000 Hydro-Quebec customers remained without power. Hydro-Quebec did not indicate when all repairs would be completed.

<http://www.windsorstar.com/technology/Weatherrelated+power+outages+affect+about+62000+Hydro+Quebec/8674163/story.html>

Chemical Spill Reported at Exelon's 619 MW Oyster Creek Nuclear Unit 1 in New Jersey July 17

On Wednesday afternoon, the New Jersey Department of Environmental Protection was notified that approximately 1 pint of sodium hypochlorite was spilled at Oyster Creek Unit 1. The spill, which did not reach the federal reportable quantities limit, has been contained and cleaned-up.

<http://www.nrc.gov/reading-rm/doc-collections/event-status/event/2013/20130718en.html>

Petroleum

Update: Phillips 66 Resumes Normal Operation on Its 8-inch Seminoe Gasoline Pipeline July 13 After Repairs in Southwest Montana

Normal operations have resumed on the Seminoe pipeline system following a safe and proper restart of the line by Phillips 66 personnel on Saturday. Restart of the pipeline was executed in accordance with review by the Pipeline and Hazardous Materials Safety Administration (PHMSA). The pipeline was repaired, inspected and tested, following a shut down July 2 when Phillips 66 personnel detected a leak on the pipeline in a remote area of southern Montana, about 15 miles southwest of the town of Lodge Grass. The leak spilled an estimated 600 barrels of gasoline. Phillips 66 is analyzing data that has been collected to determine the exact cause of the pipe rupture. Initial findings indicate the cause was due to significant land movement in the area of the pipeline; however, a formal investigation is still underway.

<http://www.phillips66.com/EN/newsroom/stormcenter/Pages/SeminoePipelineUpdate.aspx>

Unspecified Unit Shut at Chevron's 245,000 b/d Richmond, California Refinery July 17

Chevron Corp reported an unspecified unit shutdown at its Richmond refinery on Wednesday, according to a filing with the Contra Costa Health Services made public on Thursday.

Reuters, 12:10 July 18, 2013

Unspecified Unit Shut at Tesoro's 166,000 b/d Golden Eagle, California Refinery July 15

Tesoro Corp reported the shutdown of an unspecified unit at its Golden Eagle refinery in Martinez, California, according to a filing with Contra Costa Health Services. In a separate filing, Tesoro reported a gas leak from an out-of-service line at the refinery on July 16.

Reuters, 11:56 July 18, 2013

Unspecified Unit Shut at Shell's 156,400 b/d Martinez, California Refinery July 14

Royal Dutch Shell Plc reported an unspecified unit shutdown at its refinery in Martinez, California, on July 14, according to a filing with the Contra Costa Health Services made public on Thursday.

Reuters, 11:42 July 18, 2013

HCU Compressor Briefly Shut at Flint Hills' 260,000 b/d Corpus Christi, Texas Refinery July 18

Flint Hills Resources reported a brief, unplanned shutdown of a second stage recycle compressor at the plant's hydrocracking unit (HCU), according to a filing with the Texas Commission on Environmental Quality. The incident, in the West Plant section of the refining complex, ended after 10 minutes. The current operating status of the compressor and hydrocracker unit is unknown.

<http://www.hydrocarbonprocessing.com/Article/3232607/Latest-News/Flint-Hills-reports-brief-compressor-shutdown-at-Corpus-Christi-refinery.html>

New 60,000 b/d HCU Increasing to Planned Rates at Valero's 205,000 b/d St Charles, Louisiana Refinery July 16

Valero Energy Corp said Tuesday that a newly constructed hydrocracking Unit (HCU) at its St. Charles refinery started up successfully and would be increasing to planned rates over the next few days. The HCU's throughput capacity is rated at 60,000 b/d and will boost the refinery's diesel production.

<http://online.wsj.com/article/BT-CO-20130716-709046.html>

Reuters, 10:53 July 18, 2013

Flare Gas Compressor Shut at Phillips 66's 362,000 b/d Wood River, Illinois Refinery July 18

Phillips 66 reported a flare gas compressor shutdown at its Wood River refinery, according to a filing with state pollution regulators. There were also sulfur dioxide emissions, the filing with Illinois Emergency Management Agency said.

Reuters, 4:14 July 18, 2013

Nustar Announces Binding Open Season for Proposed South Texas Crude Oil Pipeline System Project

NuStar Energy L.P. announced today the launch of a Binding Open Season by its affiliate, NuStar Crude Oil Pipeline L.P. ("NuStar"), to assess shipper interest in committed space to transport Eagle Ford Shale crude oil from several terminal locations on its South Texas Crude Oil Pipeline System in Frio, McMullen, and La Salle Counties to its Corpus Christi North Beach facility (the "South Texas System"). The proposed South Texas System Project would include pipeline capacity upgrades to the segments of the South Texas System between NuStar's Gardendale Terminal in La Salle County, Texas and NuStar's Corpus Christi Terminal in Nueces County, Texas and will be constructed in two phases: the first phase will add incremental throughput capacity to the South Texas System of approximately 35,000 b/d and the second phase will add incremental throughput capacity to the South Texas System of approximately 65,000 b/d, for a total aggregate incremental capacity of 100,000 b/d, of which 90,000 b/d day will be available to committed shippers. Subject to sufficient commitments from shippers as well as regulatory and internal approvals, the South Texas System Project would be in-service in two phases: Phase 1 with 30,000 b/d of capacity would be available for service to committed shippers in the 3rd quarter of 2014 and Phase 2 with an additional 60,000 b/d would be available for service to committed shippers during the 1st quarter of 2015.

<http://www.marketwatch.com/story/nustar-energy-lp-announces-binding-open-season-for-proposed-south-texas-crude-oil-pipeline-system-project-2013-07-17>

North Dakota Oilfield Explosion Injures Five People July 16

An oilfield explosion in which five people were injured was reported in a release from the McKenzie County Sheriff's Department. The injured workers were employees of Trustland Oilfield Services. Authorities believe a fire, which led to the explosion, started when the workers were removing a cover on an oil fuel tank and an electric drill ignited the blaze. The investigation has been turned over to the federal Occupational Safety and Health Administration

<http://www.inforum.com/event/article/id/406309/>

Natural Gas

Williams 9.9 Bcf/d Transcontinental Gas Pipeline Issues Shipper Alert Due to U.S. Northeast Heat July 18

Transcontinental Gas Pipeline Co LLC (Transco) is experiencing increased demand because of the heat wave covering the U.S. Northeast and advised shippers to balance supply with demand to maintain pipeline integrity. The company further stated it had limited flexibility to manage any system imbalances. Transco's 10,200-mile gas pipeline system has the capacity to carry 9.9 Bcf/d from the Gulf Coast to markets throughout the Southeast, mid-Atlantic and Northeast, including New York City.
Reuters, 10:53 July 18, 2013

AGI Compressor Shut at Regency's 290 MMcf/d Waha Gas Plant July 16

The acid gas injector (AGI) compressor was shutdown on high fourth stage suction/high third stage discharge pressure at the Waha gas plant, according to a filing with the Texas Commission on Environmental Quality. The cause of the high pressures is believed to be hot valves. A work order was written to replace the valves on the compressor and the AGI compressor will be placed back in service once the maintenance is completed. The AGI flare and flare volume meter is in service during the downtime.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=185604>

Recycle Blower Shut at Southern Union's 140 MMcf/d Keystone Gas Plant in Texas July 17

Southern Union reported the recycle blower went down due to mechanical issues at its Keystone plant on Wednesday, according to a filing with the Texas Commission on Environmental Quality. Repairs are currently being made to the recycle blower.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=185603>

AGI #2 Shut for Repairs at Enbridge's Tilden Gas Plant July 17

The acid gas injector (AGI) #2 went down to replace a fourth stage relief valve and to repair an H2S leak on the fifth stage scrubber, according to a filing with the Texas Commission on Environmental Quality. After the fourth stage relief valve was replaced and the H2S leak was repaired by replacing some tubing and a needle valve, the AGI #2 motor was reset and the AGI was restarted.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=185601>

Other News

Nothing to report.

International News

Sudan Insists South Sudan Shut Oil Output Completely by August 7

Sudan has insisted South Sudan reduce its 300,000 b/d oil output and shut it off completely by Aug. 7, officials said, over allegations of support for rebels that operate across their border. A month ago Sudan said it would close two cross-border pipelines within two months unless South Sudan gave up support for the rebels. Oil flow had only begun in April after a 16-month shutdown due to a disagreement over pipeline fees and disputed territory.

Reuters, 6:11 July 18, 2013

Armed Protestors Disrupt Exports from Libya's 65,000 b/d Zueitina Oil Port July 16

The eastern Libyan oil port of Zueitina was disrupted on Tuesday when armed protestors demanded export operations be halted. Only hours earlier, production had resumed at the oilfields after workers temporarily suspended a strike. According to an engineer, the group of protestors arrived and asked that operations be shut down while a ship bound for Italy was being loaded with crude. The engineer negotiated with the protestors to allow the loading to continue. A senior Libyan oil industry source confirmed the disruption and said export operations were affected.

<http://www.reuters.com/article/2013/07/16/libya-oil-idUSL6N0FM3RG20130716>

Energy Prices

| U.S. Oil and Gas Prices | | | |
|--|--------|----------|----------|
| July 18, 2013 | | | |
| | Today | Week Ago | Year Ago |
| CRUDE OIL West Texas Intermediate U.S. \$/Barrel | 108.10 | 104.74 | 89.63 |
| NATURAL GAS Henry Hub \$/Million Btu | 3.66 | 3.69 | 2.83 |

Source: Reuters

Links

This Week in Petroleum from the U.S. Energy Information Administration (EIA)

<http://www.eia.gov/oog/info/twip/twip.asp>

Updated every Wednesday.

Weekly Petroleum Status Report from EIA

http://www.eia.gov/oil_gas/petroleum/data_publications/weekly_petroleum_status_report/wpsr.html

Updated after 10:30 AM & 1:00 PM ET every Wednesday.

Natural Gas Weekly Update from EIA

<http://www.eia.gov/oog/info/ngw/ngupdate.asp>

Updated after 2:00 PM ET every Thursday.

ENERGY ASSURANCE DAILY

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<http://www.oe.netl.doe.gov/ead.aspx>

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